

**DEMBO, BROWN & BURNS LLP**

By: Kyle F. Eingorn, Esquire  
1300 Route 73, Suite 205  
Mt. Laurel, New Jersey 08054  
(856) 354-8866  
keingorn@dbblegal.com  
Attorneys for McCormick 110, LLC

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEW JERSEY**

IN RE:

GEORGE SARIOTIS AND CINDY  
SARIOTIS,

Debtors.

CHAPTER 11

CASE NO. 22-12916-MBK

Honorable Michael B. Kaplan, U.S.B.J.

**CERTIFICATION IN SUPPORT OF MCCORMICK 110, LLC'S MOTION FOR  
RELIEF FROM THE AUTOMATIC STAY**

I, Melissa Bray, being of full age, do hereby certify as follows:

1. I am a Senior Loss Mitigation Specialist with BSI Financial Services, servicer for secured creditor McCormick 110, LLC in this matter and I have personal knowledge of the facts stated herein and authority to make this certification.

**LOAN-1**

2. On or about September 2, 2009, Gregory Sarios, Thalia Sarios and the debtors, George and Cindy Sarios (collectively, the "Loan-1 Obligors") borrowed the sum of \$280,000.00 from the Bank ("Loan-1").

3. In order to evidence said obligation, the Loan-1 Obligors executed and delivered to the Bank a Note ("Note-1") in the original principal amount of \$280,000.00. A true and correct copy of Note-1 is attached hereto as Exhibit A.

4. Note-1 provides that the Loan-1 Obligor was to make monthly payments to the lender in amounts pursuant to the terms and conditions of Note-1.

5. In order to secure the obligation of the Loan-1 Obligor under Note-1, the Loan-1 Obligor executed and delivered to the Bank a Mortgage ("Mortgage-1") on the premises located at 61 Redwood Drive, Ocean, New Jersey 07712 ("Property-1"). The Mortgage was thereafter duly recorded with the Clerk of Monmouth County October 26, 2009. A true and correct copy of the Mortgage is attached hereto as Exhibit B.

#### LOAN-2

6. On or about December 6, 2011, debtor, George Sarios borrowed the sum of \$200,000.00 from the Bank ("Loan-2").

7. In order to evidence the loan obligation of George Sarios to the Bank, George Sarios executed and delivered to the Bank a Community Image Home Equity Line Agreement and Disclosure ("Note-2"). A true and correct copy of Note-2 is attached hereto as Exhibit C.

8. In order to secure the loan obligation of George Sarios to the Bank under Note-2, the Debtors executed and delivered to the Bank a Mortgage ("Mortgage-2") encumbering the property located at 1801 Pitney Street, Township of Ocean, New Jersey 07755 ("Property-2"). Mortgage-2 was duly recorded with the Clerk of Monmouth County on February 21, 2012. A true and correct copy of Mortgage-2 is attached hereto as Exhibit D.

9. Thereafter, the Debtors, George and Cindy Sarios (the "Debtors") failed to pay the amounts due and owing as required under Note-1, Mortgage-1, Note-2 and Mortgage-2 (hereinafter collectively referred to as the "Loan Documents") and the Bank accelerated any and all amounts due and owing from the Debtors under the Loan Documents.

10. Thereafter, on or about December 2, 2019, the Debtors filed a Chapter 11

bankruptcy petition under case number 19-32528-MBK (the "First Bankruptcy").

11. On or about April 15, 2020, the Court entered an Order Vacating Stay [Doc 33 to Case No. 19-32528-MBK] whereby the Bank was granted relief from the automatic stay to proceed with foreclosure as to Property-1 and Property-2, up to and including final judgment, but was required to return to the Bankruptcy Court to obtain an additional order for relief to proceed with a sheriff sale.

12. On or about December 31, 2020, the Debtors proposed a First Modified Plan of Liquidation [Doc 67 to Case No. 19-32528-MBK] wherein the Debtors proposed to "market and sell each of [Property-1 and Property-2 and a third property] with a closing date no later than September 21, 2021... in the event that the Debtor is unsuccessful in the marketing and sale of any of the properties, Secured Creditor shall be free to proceed with remedies allowable by state law."

Id. at p. 13.

13. On or about January 22, 2021, the Loan Documents were assigned by the Bank to McCormick. True and correct copies of the Assignments of Mortgage are attached hereto as Exhibits E and F, respectively. See also Allonges attached to Exhibits A and C, hereto.

14. On or about April 6, 2021, the Court entered an Order Confirming First Modified Plan of Liquidation [Doc 87 to Case No. 19-32528-MBK].

15. On or about May 20, 2021, McCormick filed an action in the Superior Court of New Jersey, Chancery Division, F-2724-21 to foreclose upon Property-1.

16. On or about June 7, 2021, McCormick filed an action in the Superior Court of New Jersey, Chancery Division, F-3002-21 to foreclose upon Property-2.

17. The Debtors were unable to sell either Property-1 or Property-2 by the September 21, 2021 deadline proposed in the First Modified Plan and upon information and belief, neither

Property-1 nor Property-2 was listed for sale prior to said deadline.

18. A Sheriff sale was scheduled for February 14, 2022; however, the Debtors took their first statutory adjournment to March 14, 2022.

19. On or about March 10, 2022, the First Bankruptcy was closed.

20. Prior to the February 14, 2022 Sheriff sale, the Debtors then took their second statutory adjournment, thereby adjourning the Sheriff sale to April 11, 2022.

21. On or about March 23, 2022, the Debtors provided McCormick with a listing agreement effective March 22, 2022 through June 22, 2022, and for which the broker is an insider and a part owner of Property-1. The listing agreement is only signed by George Sarios and not the other three (3) owners of Property-1. A true and correct copy of the listing agreement is attached hereto as Exhibit G.

22. On or about April 4, 2022, the Debtors provided McCormick with a sale contract (the "Contract") for Property-1. The Contract is only signed by George Sarios and not the other three (3) owners of Property-1. In addition, the sale price, \$620,000.00 is insufficient to pay all of the claims securing Property-1. A true and correct copy of the Contract is attached hereto as Exhibit H.

23. On or about April 5, 2022, the Debtors provided McCormick with the buyer's addendum to the Contract (the "Addendum"). The Addendum provided for use and occupancy for the seller through September 30, 2022. A true and correct copy of the Addendum is attached hereto as Exhibit I.

24. On April 10, 2022, the eve of the Sheriff sale and just one (1) month after the First Bankruptcy was closed, the Debtors again filed a Chapter 11 bankruptcy petition under case number 22-12916-MBK (the "Second Bankruptcy") [Doc 1].

25. As set forth in the Petition the Debtors reside in Property-2. Id. at p. 2.

26. As of the Petition Date, McCormick is owed the sum of \$395,075.63<sup>1</sup> pursuant to the terms and conditions of the Loan-1 documents.

27. As of the Petition Date, McCormick is owed the sum of \$252,312.93 under the terms and conditions of the Loan-2 documents.

28. I hereby certify that that the foregoing statements made by me are true. I acknowledge that if any of the foregoing statements made by me are willfully false, I am subject to punishment.

BSI FINANCIAL SERVICES  
As Servicer for McCormick 110, LLC

Dated: April 13, 2022

  
Melissa Bray, Sr. Loss Mitigation Specialist

<sup>1</sup> As the Debtors would also be required to pay the Sheriff Commissions on the amount owed (such being 3% of the first \$5,000.00 and 3% on the sums thereafter) the sum of \$7,795.60 is included therein.